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GOVERNMENT AND ADMINISTRATION

Referendum Result

By a majority of over two to one, voters in a national referendum have accepted the British Government's recommendation that the country should remain a member of the European Community (see p 229).

In the referendum, which was held on 5 June, all but two of the 68 voting areas were in favour of continued membership (the two areas against were the Shetland Islands and the Western Isles of Scotland). About 64·5 per cent of the electorate of over 40 million people voted in the referendum.

Votes cast and percentages for and against continued Community membership are listed below for the United Kingdom as a whole, and individually for England, Wales, Scotland and Northern Ireland. Voting majorities are also given.

	For	Against	Majority
England	14,918,009 (68·7%)	6,812,052 (31·3%)	8,105,957
Wales	869,135 (64·8%)	472,071 (35·2%)	397,064
Scotland	1,332,186 (58·4%)	948,039 (41·6%)	384,147
Northern Ireland	259,251 (52·1%)	237,911 (47·9%)	21,340
United Kingdom	**17,378,581 (67·2%)**	**8,470,073 (32·8%)**	**8,908,508**

Preparation of Legislation

For the first time in a hundred years an official committee has reviewed the form in which legislation is drafted to see how greater simplicity and clarity can be introduced into British statute law. Set up in 1973 by the then Lord President of the Council and Leader of the House of Commons, the committee was chaired by Sir David Renton, MP. Its report, *The Preparation of Legislation,* published on 7 May,[1] draws attention to evidence of widespread concern that much legislation is over-complicated and unclear. Although policy matters and the legislative programme were not within the committee's terms of reference, the report points out that the volume and scope of parliamentary legislation have a direct influence on the form in which Acts are drafted. Since nearly all legislation is promoted and prepared by the Government, the report stresses that both the Government and Parliament have a responsibility for its condition.

Recommendations

The report's main recommendations are as follows:

1 A statute should be arranged to suit the convenience of its ultimate users, and their interests should always have priority over those of the legislators.

2 The practice of publishing Green or White Papers to explain proposals in advance of legislation should be extended. More information should be provided about Bills by expanding the explanatory memoranda with which they are introduced into Parliament; and, when a Bill is lengthy and complex, a detailed explanation of its provisions should be given in a White Paper.

3 The use of statements of purpose and of principle should be encouraged, and, where detailed guidance is also required, this should be given in schedules. Provisions which are liable to be frequently modified should be included in statutory instruments. The report points out that, whereas the European legislative tradition has been to express the law in general principles, in Britain the tradition has been to specify in detail the application of the law in particular circumstances.

4 High priority should be given to the recruitment and training of more draftsmen, and in particular to the setting up of a training course in legislative drafting.

[1] Cmnd 6053. HMSO, £2·45. ISBN 0 10 160530 7.

Lawyers should be recruited for consolidation work even though they have not had the full training of parliamentary draftsmen.

5 The pace of consolidation should be accelerated both for the direct benefits which consolidation brings to the statute book, and to provide a base for the wider use of the textual method of amendment (which itself should be applied as often as possible).[1]

6 Fiscal legislation is complex partly because of the tradition that there should be careful differentiation between various situations and partly because of the enactment of specific anti-avoidance provisions aimed at particular kinds of transactions. Given these traditions, the scope for simplifying fiscal legislation is limited. Nevertheless, the report recommends that the basic provisions affecting most taxpayers should be framed in relatively simple terms and that detailed provisions should be made easier to understand by the inclusion of broad statements of Parliament's intention.

7 The committee considered how the use of computers would help to produce better legislation, and concluded that computer-assisted typesetting would give greater speed and accuracy in the printing of public Bills at all stages, and that, if this were adopted at the drafting stage, it would allow draftsmen to use the computer as a mechanical aid to drafting. It would also facilitate the incorporation of the enacted texts into a comprehensive 'data base' of statute law. The committee makes various other recommendations about the use of computers in the preparation of legislation.

8 When Parliament has to legislate for England, Wales and Scotland, there should be a separate parallel Bill for Scotland if a combined Bill cannot be drafted in straightforward terms. Consideration should be given to adopting a new procedure (which is described) for the passage of such parallel Bills through Parliament.

9 Although there is no practical scope for interposing a new stage of scrutiny of drafting during the parliamentary process, there should be new procedures for incorporating improvements of a purely drafting nature after the parliamentary passage of a Bill, and suggested procedures are proposed. In addition the Lord Chancellor should arrange for the Statute Law Committee to keep the structure and language of statutes under continuous review and to review the carrying into effect of those of the report's recommendations which are accepted by the Government and Parliament.

10 Unless there is special urgency, sufficient time should be allowed between the various stages of a Bill to permit members of both Houses of Parliament, and those whom they consult, to give adequate consideration to the drafting of the proposed legislation and the framing of amendments. The parliamentary draftsmen are also at a disadvantage when there is insufficient time between stages.

[1] 'Textual amendments' enacted by amending legislation are expressed as corrigenda or addenda, in the form of directions to strike out particular words or sentences from an earlier Act, and to add others. In the case of a 'non-textual amendment' the amending legislation enacts the substance of the change without altering the text of the Act being amended. The expression 'legislation by reference' is often used as if it meant exactly the same as non-textual amendment, but strictly speaking it includes both types of amendment.

EXTERNAL AFFAIRS AND DEFENCE

European Community

Britain is to remain in the European Community following the referendum on 5 June which produced a more than 2 to 1 majority in favour of continued membership. (For a fuller treatment of the referendum see p 227.)

In a statement in the House of Commons (*Hansard*, 9.6.75, cols 29-31) the Prime Minister, Mr Wilson, spoke of 'the clear and unmistakable nature of the decision'. In the 14 years since Britain first applied to join the Community, the issue of membership had cut across party lines; but, he said, 'the debate is now over'.

The Prime Minister continued: 'I now say to our partners in the Community that we look forward to continuing to work with them in promoting the Community's wider interests and in fostering a greater sense of purpose among the member states.' He said that it followed from the decision to remain in the Community that Britain should be fully represented in the Community's institutions, and that a recommendation would be made to the Parliamentary Labour Party regarding representation in the European Assembly. Mr Wilson also drew attention to statements by the General Secretary of the British Trades Union Congress[1] and the chairman of the TUC's International Committee indicating that the TUC was now likely to enter fully into the work of the Community's economic and social committee and to co-operate in other areas.

Mr Wilson said that the period of renegotiation and the referendum had been difficult for other members of the Community. 'I pay tribute again to the constructive spirit in which they have dealt with our renegotiation proposals.' Following the announcement of the referendum result, leaders from other Community countries expressed satisfaction at the outcome.

During the period preceding the referendum Community ministers reached agreement on a number of issues relating to the Community's internal and external policies. An account of these developments is given below.

CONSUMER PROTECTION

The first Community programme designed specifically to help the consumer was adopted by Community foreign ministers at their meeting in Luxembourg on 14-15 April. The Preliminary Programme for Consumer Protection and Information lays down guidelines for action in several areas which will form the basis of detailed proposals in the near future.

The programme, which has been developed over the past two years in response to a call at the October 1972 Paris Summit for a consumer policy, will intensify or initiate action in the following areas:

Health and safety protection: Standards for the composition of food products are to be defined, as are standards for products containing toxic, inflammable, explosive or corrosive substances. In addition, the application of safety standards for electrical goods, motor vehicles, etc, will be extended.

Unfair commercial practices: Action will be taken against false and deceptive publicity; and in the field of consumer credit a clear statement of its conditions will be required. Measures will also be taken to prevent unfairness in guarantee conditions, door-to-door selling, premium offers, etc.

Rules for labelling all products will be applied in order to ensure that the nature, weight and volume, food value and price per weight unit are clearly marked.

Legal advice and redress for consumers will be made available by the improvement and extension of claims and advice services.

Consumer information: The object will be to alert the public and give further encouragement to consumer organisations. In addition, surveys will be undertaken to publicise the position of consumers – particularly with regard to price differentials – in the light of differing conditions throughout the Community.

Many of the guidelines contained in the programme are already applied in practice in Britain.

During the process of implementing the programme, consumer groups will be fully represented on the 25-man consultative committee (on which the British Consumer Association sits).

AGRICULTURE

Fisheries

Action to support the Community's fishing industry was taken by Community agriculture ministers at their meeting in Brussels on 28-29 April.

Agreement was reached on the introduction of minimum prices for certain categories of frozen fish

[1] The TUC's General Secretary, Mr Len Murray, said on 6 June that following the referendum vote, trade unionists should 'help make the Community work as successfully as possible' in the direction of economic and social progress.

imported from third countries in order to protect the Community market from unduly low-priced imports.

The establishment of minimum import, or reference, prices – which are already applied in the case of fresh fish imports – followed a blockade of some ports by British and Irish fishermen protesting against imports of low-priced frozen fish from third countries, particularly Norway. These imports had further depressed a market in which heavy stocks had accumulated.

The Minister of Agriculture, Fisheries and Food, Mr Peart, who represented Britain at the Council of Ministers meeting, told the House of Commons (*Hansard*, 1.5.75, cols 732-5) that 'these arrangements provide permanent safeguards against low-priced imports from all third countries at prices which . . . constitute a fair balance between the interests of our producers and consumers. In consequence, effective remedial action can now be taken if import prices of frozen cod, haddock and other species fall below the minimum prices prescribed.'

With effect from 11 May, protective action may be taken by the European Commission by import control or other means if third countries do not respect prices which for frozen cod (skinless catering fillets) have been set at £570 per ton, and for the same category of frozen haddock at £596 per ton. Minimum import prices for frozen saithe, redfish and mackerel have also been fixed.

Agriculture ministers also agreed that in order to reduce pressure on the market temporary Community aid for the private storage of frozen fish by producers and traders should be granted.

The need for an urgent review of the long-term development of the Community's fisheries policy was agreed at an earlier meeting of agriculture ministers on 15 April in Luxembourg. During this meeting Mr Peart reminded the Council of Ministers that the United Nations Law of the Sea Conference in Geneva (see p 236) was moving towards the establishment of a new international fisheries regime in which the powers of coastal states and conditions in the fishing industry would be radically changed. He said that as the Community's largest fishing nation with the most extensive coastline, Britain stood to lose most by the extension of fisheries limits by other countries. Mr Peart emphasised that he was not in any sense rejecting the concept of a common Community fisheries policy, but there was a need for its reappraisal to take account of developments, and Britain would be ready to take a common line with its Community partners in Geneva.

Beef Imports

The loosening of restrictions on beef imports into the Community from third countries was agreed by agriculture ministers at their meeting of 28-29 April. Agreement was reached that provision should be made for the import of 50,000 tons of beef between June and September, with the possibility of a further quantity later.

Some imports of beef into the Community were temporarily suspended in July 1974 as part of a package of measures designed to support Community beef producers (see p 310, 1974).

The agreed quantity to be imported will be in addition to some 60,000 tons entering the Community under the GATT quota, and from Botswana and Swaziland under special provisions in the Convention of Lomé (see pp 51-3).

COMMUNITY'S EXTERNAL RELATIONS

Progress in the Community's policy of developing closer relations with countries bordering the Mediterranean has been made with the extension of the association agreement with Greece and the signing of a new trade and co-operation agreement with Israel.

The 1962 Athens association agreement linking the original six members of the Community with Greece was extended to include the three acceding members by the signing on 28 April in Brussels of an Additional Protocol. The conclusion at the same time of an interim agreement brings forward the implementation of the Protocol's trade provisions to 1 July 1975.

The Athens agreement established a customs union between the Community and Greece with a view to its eventual accession to the Community as a full member. Following the April 1967 coup, however, relations between the Community and Greece were confined to routine business, but were 'unfrozen' in September 1974 after the change of the Greek Government (see p 371, 1974).

The Additional Protocol provides for the progressive adaptation over a transitional period ending in December 1977 of trade arrangements between the three new Community members and Greece to those existing under the association agreement. Special arrangements have been agreed covering Greek wine imports into these countries.

Agreement with Israel

The first step in the Community's 'global' approach to a number of Mediterranean countries was taken on 11 May in Brussels with the signing of a new agreement with Israel.

The trade and co-operation agreement was concluded within the framework of the Community's overall and balanced approach towards the establishment of improved trading arrangements with North African and eastern Mediterranean countries. Other countries with which negotiations are imminent or in progress include Algeria, Tunisia, Morocco, Egypt, Lebanon, Syria and Jordan.

The agreement with Israel replaces the preferential trade arrangements negotiated in 1970 between Israel and the original six members of the Community. It lays down a timetable for eventual industrial free trade with the enlarged Community and includes measures to liberalise trade in agricultural products.

In the case of Israeli industrial and processed agricultural exports to the Community, quantitative restrictions are to be abolished on the entry into force of the agreement on 1 July 1975. Community tariffs on Israeli exports in these categories are to be abolished from 1 July 1977 after a three-stage transitional period. However, for a few 'sensitive' products, such as petroleum and chemical products and textiles, free entry into the Community market may be postponed until the end of 1979.

In the agricultural sector, 85 per cent of Israel's exports to the Community are covered by Com-

munity concessions – 70 per cent of them subject to tariff reductions of at least 50 per cent. Fresh citrus fruits – the largest item in Israel's agricultural exports to the Community – have been granted a reduction of 60 per cent, with the exception of lemons, where the concession is 40 per cent. As a major importer of Israeli citrus fruit, Britain pressed during the negotiations for their access to the Community market to be as free as possible. As a result, the three new member states are to apply duties which will in effect represent an 80 per cent reduction of tariffs on citrus fruit in the period until the first general review of the agreement. These concessions will apply within the framework of the Community's agricultural regulations.

Some 60 per cent of Israel's imports of industrial products from the Community will be granted tariff-free access from 1 January 1980, when a five-stage transitional period ends. For other products, total tariff dismantlement will in principle be achieved over a transitional period from July 1977 to January 1985, although provision is made in the agreement for this period to be extended until January 1989 if necessary. Provision is also made for the retention until January 1989 of Israeli duties imposed on some imports from the Community for the purpose of protecting infant industries.

In the agricultural sector, Israel is to make reciprocal concessions affecting a restricted list of products. Tariff reductions will range from 15 to 25 per cent.

A new feature of the agreement which was absent from the 1970 accord is the provision for co-operation in such fields as the exchange of technology, the encouragement of private investment, and the possible participation by Israel in certain co-operative ventures in the fields of science and technology between the Community and other non-member countries.

Community foreign ministers at their meeting on 14-15 April in Luxembourg agreed that the negotiations for similar agreements with the Maghreb countries should be concluded as soon as possible.

North Atlantic Treaty Organisation

MEETING OF HEADS OF STATE OR GOVERNMENT

Mr Harold Wilson, the Prime Minister, and Mr James Callaghan, the Secretary of State for Foreign and Commonwealth Affairs, represented Britain at a meeting of the heads of State or Government of the 15 member countries of NATO who met in Council in Brussels on 29-30 May. The main topic of discussion was a review of developments since the signing of the Ottawa Declaration on Atlantic Relations in 1974 (see pp 253-4, 1974). The Eurogroup had met on 7 May (see p 232) and the Defence Planning Committee on 22-23 May (see p 233). Mr Roy Mason, Secretary of State for Defence, represented Britain at these meetings.

Before the opening of the meeting of heads of State or Government, Mr Callaghan held a series of bilateral meetings with foreign ministers of other NATO countries. Mr Callaghan first met Mr Bitsios, the Foreign Minister of Greece, and discussions took place on the situation in Cyprus and the Aegan and Greece's contribution to NATO. Mr Callaghan subsequently took part in a meeting with Mr Hallmgrimsson, the Prime Minister of Iceland, and Mr Agustsson, the Icelandic Foreign Minister, at which Iceland's role in NATO was discussed. At a meeting with Signore Rumor, the Italian Foreign Minister, Mr Callaghan accepted an invitation to pay an official visit to Rome early in July. Cyprus and NATO were also discussed. Mr Callaghan also met members of the Portuguese delegation, including Admiral Rosa-Coutinho, a member of the Revolutionary Council, at which the situation in Portugal was considered.

North Atlantic Council

The meeting of the heads of State or Government opened with official speeches, which included addresses by Dr Joseph Luns, the Secretary-General of NATO, and Mr Leo Tindemans, the Belgian Prime Minister. Following the opening speeches, the Council went into closed session.

Concern to preserve the solidarity of the alliance and restore it where impaired was a major theme of the meeting. It was emphasised that the collective security provided by the alliance was a stabilising factor in a troubled world subject to rapid transformation, and an essential condition of *détente* and peace. It enabled the allies to pursue policies reflecting their desire that understanding and co-operation should prevail over confrontation, and an advance along this road would be made if the Conference on Security and Co-operation in Europe were concluded on satisfactory terms and its words translated into deeds. The heads of State or Government emphasised that the development of understanding and co-operation also required mutual and balanced force reductions in central Europe in a manner which would contribute to a more stable relationship and enhanced security for all.

In his speech to the Council, the President of the United States, Mr Ford, stated that his country's commitment not to engage in any unilateral reduction of United States forces committed to NATO remained valid.

In a series of informal bilateral meetings among heads of Government, the relationship between Greece and Turkey, and the developments within Portugal, were discussed.

The following is the text of the communiqué issued after the Council meeting (side headings added):

The North Atlantic Council met in Brussels on 29 and 30 May, 1975 with the participation of heads of State and Government.

Solidarity of Alliance

2 As a result of their review of developments since the Ottawa Declaration on Atlantic Relations was signed in Brussels last year, the allied leaders are strengthened in their resolve to preserve the solidarity of the alliance and restore it where impaired by removing the causes which disturb it among allies. They reaffirm that the essential purpose of the alliance is to safeguard the independence and security of its members and to make

possible the creation of a lasting structure of peace.

3 Serious problems confront the allies in the pursuit of this purpose. The armed forces of the Warsaw Pact continue to grow in strength beyond any apparent defensive needs. At the same time, the maintenance of the allied defence effort at a satisfactory level encounters new difficulties arising from the world-wide economic situation. The allies are resolved to face such challenges together and with determination.

Collective Security

4 The collective security provided by the alliance, on the basis of a credible capacity to deter and defend, is a stabilising factor, beneficial to international relations as a whole, and indeed an essential condition of détente *and peace. In a troubled world subject to rapid transformation the allies reaffirm that the security of each is of vital concern to all. They owe it, not only to themselves but to the international community, to stand by the principles and the spirit of solidarity and mutual assistance which brought them together as allies. Accordingly the allies stress their commitment to the provisions of the North Atlantic Treaty, and in particular article 5 which provides for common defence.*

Security and Co-operation in Europe

5 The security afforded by the Treaty enables the allies to pursue policies reflecting their desire that understanding and co-operation should prevail over confrontation. An advance along this road would be made if the Conference on Security and Co-operation in Europe were concluded on satisfactory terms and its words translated into deeds. The allies hope that progress in the negotiations will permit such a conclusion in the near future. They reaffirm that there is an essential connection between détente *in Europe and the situation relating to Berlin. The allies participating in the negotiations in Vienna emphasise that the development of understanding and co-operation also requires mutual and balanced force reductions in central Europe in a manner which would contribute to a more stable relationship and enhanced security for all.*

Social Progress

6 The peoples of the alliance share in the universal aspiration for justice and social progress. They desire that through concerted efforts there should emerge an international order which reflects the political, economic and social realities of our time. The allies are resolved to co-operate with the other members of the international community on global problems such as those of population, food, energy, raw materials and the environment. The well-being of mankind depends on success in these common tasks.

7 The allied leaders meeting in Council recall that the future of democracy and freedom throughout the world is closely linked to the future of those countries whose common heritage embraces these ideals and where they enjoy the widest popular support. With this in mind, they unanimously affirm that they will enhance the effectiveness and vitality of their association within the framework of the North Atlantic Treaty, which is fundamental not only to the security of the allied nations but also to the preservation of the values to which they are deeply attached.

Eurogroup Meeting

The defence ministers of the ten Eurogroup countries (see p 13, 1972) met in London on 7 May, under the chairmanship of Mr Roy Mason, the British Secretary of State for Defence. The communiqué issued after the meeting stated that ministers discussed a general report submitted to them on the objectives and methods of work of the Eurogroup sub-groups[1] (see p 12, 1971, p 248, 1972 and pp 14 and 257, 1974). The ministers agreed that these groups are of great importance in furthering the role of the Eurogroup in developing a strong and cohesive European contribution to the common defence of the whole alliance. They confirmed their determination to continue to play a personal role in directing and stimulating the work of the groups on individual issues. Ministers received oral reports from the defence ministers of Belgium, the Federal Republic of Germany, the Netherlands and Britain on the recent work of each of the sub-groups chaired by their countries, and took note of the work in hand. They welcomed in particular the agreement on operational requirements that has been achieved in Eurocom, which will ensure inter-operability between future tactical communications systems of the land forces of the Eurogroup nations, and the progress made by Eurolongterm in developing agreed tactical concepts as a basis for drawing up the operational requirements of future weapons systems.

To complement the existing Eurogroup principles of co-operation in equipment and training, ministers signed a declaration on principles of co-operation in logistics and agreed to act in compliance with these principles in their future logistic planning. They stressed that closer collaboration in logistic support should enable member countries of the Eurogroup to make more effective use of the resources available and to promote increased co-operation in this important field of common concern. In this context, ministers welcomed the signature by the ministers of defence of the Netherlands and Britain of a Memorandum of Understanding on a common project for marine gas turbine engines.

Ministers had a full and frank exchange of views on a wide range of questions concerning the research, development and production of defence equipment. They reviewed the work in hand to extend the information available on member countries' equipment plans and programmes, and they underlined the importance which they attach to maintaining a strong European technological and industrial base in the defence field and to increasing the degree of standardisation in defence equipment. Ministers also agreed on the need to develop a constructive dialogue between Europe and the United States on these matters. This dialogue will be

[1] The sub-groups currently in existence are Eurocom (battlefield communications), Eurolog (logistic co-operation), Eurolongterm (long-term planning), Euromed (medical services), Euronad (equipment collaboration), Eurostructure (forces structure) and Eurotraining (joint training).

prepared by wide consultation between all the countries concerned.

Ministers noted with interest a statement by the Norwegian Minister of Defence on the progress made in the collaboration between Belgium, Denmark, the Netherlands and Norway on the replacement programme for the *F104G* and other aircraft.

They concluded with an exchange of views on the major issues currently affecting the defence of NATO Europe, and agreed that the Eurogroup continued to provide a most important forum for developing co-operation and collaboration among its members in the alliance framework. They reaffirmed their personal support for the Eurogroup and its work to this end.

Defence Planning

Long-term plans for the defence strategy of the NATO alliance, involving increased military collaboration in all fields, were agreed by defence ministers of member countries of the NATO Defence Planning Committee which met in Brussels on 22-23 May. The guidelines agreed by the ministers reaffirm the basic principles and aims of NATO defence policy into the 1980s. The communiqué issued after the meeting stated that the ministerial guidelines also provide a fresh stimulus to the optimum use of resources through rationalisation, standardisation and greater co-operative efforts. Ministers agreed that standardisation could be extended through increased purchases of defence equipment by the United States from European NATO members.

Such action had been urged by the British representative, Mr Roy Mason, Secretary of State for Defence, speaking on the opening day of the meeting. In his role as chairman of the Eurogroup, Mr Mason placed before the United States Defence Secretary, Mr James Schlesinger, proposals for redressing the current imbalance in arms procurement between the United States and European NATO members. The Eurogroup is to meet before its next scheduled meeting in September to consider what items could be sold to the United States, including defence equipment already available and possible future projects.

In their general review of the strategic situation, ministers stressed the need to maintain and improve NATO forces in view of the increasing military strength of the Warsaw Pact. They paid special attention to the situation in the Mediterranean area. On NATO relationships with Spain the communiqué states that 'the United States Secretary of Defence informed his colleagues of the present state of the bilateral agreements on the use by the US forces of military facilities in Spain, it being understood that these arrangements remain outside the NATO context'.

Central Treaty Organisation

MINISTERIAL COUNCIL

The twenty-second session of the Council of Ministers of the Central Treaty Organisation (CENTO) was held in Ankara on 22 and 23 May. The meeting, which examined the international situation and considered reports on the economic and military activities of the organisation, was attended by delegations from all the member states – Iran, Pakistan, Turkey, Britain – and the associate member, the United States. The British delegation was led by Mr Roy Hattersley, Minister of State at the Foreign and Commonwealth Office. As representative of the host country, Mr Ihsan Sabri Caglayangil, Turkey's Minister of Foreign Affairs, presided over the meeting.

As on previous occasions, the council meeting was preceded by a meeting of the CENTO Military Committee, held in Rawalpindi on 2 and 3 April. The committee, which normally meets at the level of Chiefs of Staff or Commanders-in-Chief, reviewed the combined military planning for the defence of the CENTO region, considered the joint military exercises and development programmes successfully completed during the year, and prepared a report for submission to the ministerial council. The annual meeting of the CENTO Economic Committee, to review progress in the organisation's economic development programmes, took place in London from 8 to 10 April.

Mr Hattersley's Speech

In his speech at the council's opening session, Mr Hattersley emphasised Britain's determination to seek *détente* in the CENTO region as in Europe and elsewhere. Like the North Atlantic Treaty Organisation (NATO), he explained, CENTO was an instrument of *détente*, for *détente* was impossible without security and could only be pursued to the extent that legitimate security requirements allowed. It also depended on the creation of an atmosphere of mutual confidence, a confidence which might lead to a balanced reduction in armaments without at the same time lowering the value of the military deterrent. In this context, he considered that Britain's bilateral relations with the Soviet Union had an important role to play, and believed that the recent visit to the Soviet Union by the Prime Minister and the Foreign and Commonwealth Secretary (see pp 96-8) had played a valuable part in promoting this goal. In addition, Britain intended to continue playing a full part in the institution of *détente*, particularly through the Conference on Security and Co-operation in Europe (see p 97).

At the same time, Mr Hattersley continued, defence organisations like CENTO had to take account of military developments in those countries which lie on their borders, and Britain had noted the massive increase in Soviet military capacity over the past year and the increasing deployment of Soviet naval forces in the Mediterranean and Indian Ocean. CENTO's ability to contain the military threat to the CENTO region depended not only on the economic development and inherent political strength of its regional members, but on the continued co-operation and constant vigilance of the alliance as a whole. Having recently confirmed its support for the alliance and the opportunities for military consultation it allowed, Britain, within its capacity, intended to continue to play its part in these activities, in the CENTO exercises and training programmes, and in military planning. The region's

continued economic development, he added, depended on a period of reliable peace, and Britain was determined to play its part in ensuring that CENTO did not disappoint its members in this regard.

Mr Hattersley also referred to the recent upheavals in Cyprus (see pp 59-60), the tragic consequences of which had been a matter of deep regret to the British Government. All those concerned with the problem, he continued, should now address themselves to the search for a negotiated settlement. In the present situation, the best chance for progress lay in the inter-communal talks due to take place in Vienna in June. For its part, Britain would support any constitutional solution which was acceptable to both communities, and which maintained Cyprus's sovereignty, integrity and independence. To this end, Britain was ready to help in any way it could.

Turning to CENTO's economic activities, Mr Hattersley stated that Britain would continue to support the economic programme and was interested in initiatives for its future development. In particular, in accordance with its new development strategy (see p 111), Britain wanted to see a great proportion of the CENTO effort being directed to the benefit of the poorer rural areas, and was eager to be involved in regional projects in the field of rural development. He noted that this emphasis on the agricultural sector accorded with the wishes expressed by the representatives of Britain's CENTO partners at the Economic Committee's meeting in London earlier in the month.

Communiqué

In a communiqué issued at the conclusion of the two-day meeting, the council noted with satisfaction that 'peace, stability and economic and social progress' had been maintained in the region. At the same time, it regretted that many problems posing a threat to world peace still remained unresolved, and with this in mind confirmed its support for all constructive steps that would strengthen the cause of peace, and stressed the necessity of strengthening the role of the United Nations in the service of world peace and stability.

With regard to particular problems, the council noted the recent improvement in relations between Iran and Iraq, emphasised the urgent need for the establishment of a just, honourable and lasting peace in the Middle East in accordance with United Nations resolutions, and expressed the hope that progress would be achieved in talks on security and co-operation and balanced force reductions in Europe. With regard to the last, it also stressed that security in the CENTO region constituted an important element of European security. Finally, noting progress made towards the 'normalisation' of the situation in South Asia, the council expressed the hope that Pakistan and India would continue to work for the establishment of a durable peace and security in the region.

Reviewing the report of the Military Committee, the council noted the successful military exercises undertaken during the year, and emphasised that their sole purpose was to enhance the ability of CENTO countries to safeguard their security and legitimate national interests. With regard to the report of the Economic Committee, the council endorsed its recommendations to consider support for activities related to rural development, agriculture and agro-industries, and noted that the programme of scientific co-operation and cultural exchanges continued to create still better understanding among the peoples of the region.

Shorter Notes

ROYAL VISITS TO HONG KONG AND JAPAN

The Queen, accompanied by the Duke of Edinburgh, paid a state visit to Japan from 7 to 12 May, preceded by three days in Hong Kong from 4 to 7 May.

Although in the past members of the royal family have been in Hong Kong on a number of occasions, the Queen's visit was the first by a reigning British monarch. A full, varied and colourful programme was planned, with the aim of giving the royal visitors an opportunity to meet people from all walks of life and to see as many aspects as possible of the life of the Colony. On 5 May, to commemorate the visit, the Queen unveiled a plaque at Hung Hom railway terminus, a multi-purpose complex which is the largest single project currently under construction in the territory. In the exhibition hall forming part of the complex she saw a specially arranged 'Progress Hong Kong' exhibition illustrating the diversity and quality of Hong Kong's products.

The state visit to Japan was made at the invitation of Emperor Hirohito who, with the Empress, visited Britain in September 1971 (see p 539, 1971). A full programme of engagements included attendance at a state banquet in the Imperial Palace and visits to the Diet (Parliament) and to some of Japan's most famous Buddhist and Shinto temples. On 9 May the Queen laid a wreath at the Commonwealth war cemetery on the outskirts of Yokohama, and later attended a lunch given by the Anglo-Japanese Society: while the Duke of Edinburgh attended a lunch given by the Japan Academy – equivalent to the Royal Society in Britain – of which he was made an honorary fellow.

To mark the state visit, a series of special promotions of British consumer goods and cultural exhibitions was arranged at over 200 department and retail stores throughout Japan.

In both Hong Kong and Japan the royal visitors were received with warmth and enthusiasm.

BRITISH SOLOMON ISLANDS PROTECTORATE

At talks which took place in London on 19 and 20 May between Miss Lestor, Parliamentary Under-Secretary of State, Foreign and Commonwealth Office, and a delegation from the British Solomon Islands Protectorate led by the Chief Minister, Mr Solomon Mamaloni, agreement was reached on a timetable of constitutional advance for the Protectorate. Announcing this, a statement issued by the Foreign and Commonwealth Office on 21 May said that internal self-government would be introduced,

if possible by 1 November and at any rate not later than 31 December 1975, on the understanding that, subject to the approval of Parliament, independence should follow within 12 to 18 months. A constitutional committee would be appointed in August 1975 to make recommendations on the provisions of an independence constitution, and would be required to submit its report to the Solomon Islands Legislative Assembly not later than April 1976. After the recommendations had been published and considered by the Legislative Assembly, the British Government would convene a constitutional conference in London to draw up the independence constitution and fix the date of independence. The British Government's view, the statement said, was that a general election, at which the independence issue was considered, should precede the grant of independence.

Following a general election in the Protectorate in 1973, a new constitution was introduced in 1974, by which the existing Governing Council, a body combining legislative and executive functions, was replaced by an elected Legislative Assembly and a ministerial system. Talks at ministerial and official level on further stages of constitutional advance were held in Honiara, the capital of the Protectorate, in January 1975.

ANGUILLA

On 30 May the British Government announced proposals for the future constitutional status of Anguilla, which forms part of the Associated State of St Kitts-Nevis-Anguilla in the Eastern Caribbean.

The proposals are the outcome of the Government's undertaking in 1971 to review the island's constitutional arrangements after three years (see p 380, 1971). The review was initiated in September 1974, and included discussions in the Caribbean and in London by Miss Joan Lestor, Parliamentary Under-Secretary at the Foreign and Commonwealth Office, with Mr Robert Bradshaw, Premier of the Associated State, and with Mr Ronald Webster, Leader of the Anguilla Council.

Throughout the review, the Government appreciated the difficulties for the Government of the Associated State and the view of Commonwealth Caribbean Governments on fragmentation within the region; but it had undertaken that the wishes of Anguillan people would be taken into account in the review. Since it emerged clearly that Anguilla remained opposed to re-unification with St Kitts, a new form of administration for the island had to be sought.

The Government now proposes to proceed with a compromise solution, by which a greater degree of authority will be devolved to Anguilla's elected representatives, but falling short of formal separation. A separate constitution for Anguilla will be provided by means of an Order in Council made under the Anguilla Act 1971 (see p 379, 1971). While keeping the Associated State formally in being, this arrangement will also provide for Anguilla a larger measure of autonomy in domestic affairs. Under it, certain of the island's elected representatives would be appointed to take charge of specific government departments or subjects. The British Government would retain ultimate responsibility for defence, external affairs, internal security, the judiciary, the police service and finance. As at present, there would be a Commissioner appointed by the Queen.

ANGLO-CUBAN CO-OPERATION AGREEMENT

An Agreement on Economic and Industrial Co-operation, concluded by Britain and Cuba on 19 May, provides for the establishment of a Joint Commission which will meet annually to review the progress of, and prospects for, economic and industrial co-operation. Specific areas of possible co-operation are listed in an annex to the agreement: they include the sugar, textile and chemical industries; ports, harbour, airport and communications development; land and maritime transport; agricultural equipment and the food industry; the construction industry; public health equipment; and the metallurgical and plastics processing industries. The agreement also encourages co-operation in such fields as feasibility and market studies and the interchange of information to promote the carrying out of specific projects.

The agreement was signed in London by Mr James Callaghan, the Secretary of State for Foreign and Commonwealth Affairs, Mr Eric Deakins, Parliamentary Under-Secretary of State for Trade, and Dr Carlos Rodriguez, a Deputy Prime Minister of Cuba and head of a Cuban ministerial delegation which visited Britain from 18 to 23 May. The purpose of the Cuban visit was to discuss the possibilities for the further expansion of Anglo-Cuban trade. In this connection, members of the delegation met representatives of British industry and commerce, and Dr Rodriguez had talks with the Prime Minister, Mr Harold Wilson. There has already been a considerable increase in British trade with Cuba over the past few years. British exports to Cuba, valued at £16·7 million in 1972, rose to £23·9 million in 1974, while imports increased from £5 million to £20 million over the same period.

On 20 May, Dr Rodriguez announced that Britain had agreed to give credit of at least £250 million at a low rate to Cuba. Over the past 12 months, Export Credits Guarantee Department (ECGD) guaranteed loans for Cuba have totalled almost £17 million, and a further guaranteed loan of £6 million was announced by the ECGD on 21 May.

Britain has also offered to start a programme of technical assistance to Cuba, which is expected to cost £10,000 in its first year. Under this programme, it has been suggested that Cubans should come to Britain for training, while British experts or consultants should visit Cuba.

SRI LANKA TEA ESTATES

The report[1] of an investigation into conditions on British-owned tea estates in Sri Lanka, carried out by a group of British Members of Parliament in March-April 1975, was published by the Department of Trade on 14 May. On the same day the Secretary of State for Trade, Mr Peter Shore, made a statement on the report in the House of Commons (*Hansard*,

[1] *Sri Lanka Tea Estates*. HMSO, 60p. ISBN 0 11 511643 5.

cols 468-76) and answered questions.

Mr Shore said that, in view of public concern – particularly after recent television programmes on the subject – the British delegation to the Inter-Parliamentary Union conference held in Colombo in March had been asked by the Foreign and Commonwealth Secretary to extend its stay in Sri Lanka in order to investigate the conditions of workers and their families on British-owned tea estates. The delegates held discussions with representatives of the Government of Sri Lanka, the tea companies and local unions. They visited tea estates owned both by the Government of Sri Lanka and by British companies, and interviewed workers, medical staff and managers on a number of estates. They saw much to disturb them including malnutrition among some workers on the estates as well as among the urban poor.

The delegation's report, Mr Shore went on, placed the problem of the tea estates in the context of Sri Lanka's 'very real economic problems'. It recommended a number of specific measures and proposed that these should be discussed by the Secretary of State with representatives of British companies which had tea estate interests in Sri Lanka. Until these discussions had taken place, the Minister did not think it would be right for him to comment on the detailed recommendations in the report. 'All I would add at this stage is that a solution to the wider problems of the tea industry must be sought on an international basis.' He reminded Members that during the recent Commonwealth Heads of Government meeting (see pp 184-91), the Prime Minister gave special emphasis to the importance and value of an effective international agreement on tea. 'We shall continue to pay particular attention to this in our further consideration of commodity questions.'

Replying to a question, the Minister stated that while the delegation's conclusions were different from those presented in the television programmes, there was no difference between the general assessment of the real conditions of stress in Sri Lanka and on the tea estates as reported by the delegation and as revealed in the television programmes. To a further question he replied that the report showed the problem was not just one of British companies but was to be found in all the tea estates in Sri Lanka. The underlying theme of both the report and the television programmes, he said, was 'the sheer problem of poverty and misery which so many countries, including Sri Lanka, its people and its Government, are having to face.'

LAW OF THE SEA

The Third United Nations Conference on the Law of the Sea (pp 144-5) ended an eight-week session in Geneva on 9 May. A further session, the fourth, is to be held in New York, beginning on 29 March 1976.

Although the Geneva session failed to reach agreement on the main issues before the conference, single negotiating texts were prepared by the chairmen of the three main committees. They have been circulated as a single document containing 304 draft articles and will serve as a basis for study and negotiation, pending the New York session. In the House of Commons Mr David Ennals, Minister of State for Foreign and Commonwealth Affairs, said that the production of the negotiating texts represented 'an important step forward which should facilitate progress at a resumed session' (*Hansard*, 15.5.75, written answers, col 173).

In a statement at the last meeting, the president of the conference, Mr H. Shirley Amerasinghe (Sri Lanka), urged states to avoid any unilateral action that would jeopardise a convention. He noted, particularly, concern expressed by developing countries about possible exploitation of the mineral resources of the deep sea-bed before a treaty was agreed on.

PORTUGAL

The first free elections for nearly half a century were held in Portugal on 25 April and resulted in a victory for the moderate left. In the elections for a Constituent Assembly the Portuguese Socialist Party (PSP), led by Dr Mario Soares, a minister in the present coalition Cabinet, obtained 38 per cent of the vote. Of the other main parties, the Popular Democratic Party (PPD) obtained 26 per cent, the Communist Party 13 per cent, the Centre Democrats 7·6 per cent and the Portuguese Democratic Movement (MDP) 4 per cent. Blank votes, tacitly supporting the ruling Armed Forces Movement (MFA), amounted to 7 per cent.

The Constituent Assembly, whose main task will be to draft a new constitution, was inaugurated by President Costa Gomes on 2 June. Of its 247 seats, the PSP hold 115, the PPD 80, the Portuguese Communist Party 30, the Centre Democrats 16, the MDP 5, and the Popular Democratic Union 1. The leaders of the PSP, the PPD, the Communists and the MDP have remained in the Government and cannot, therefore, be members of the Assembly.

Background

On 11 March there was some military action against the Government of Portugal. Directly afterwards all existing organs of the MFA were dissolved and a new Supreme Revolutionary Council established, with full legislative powers. Civilian members of the Council of State had resigned on 13 March, most of its military members having been absorbed into the Supreme Revolutionary Council. The functions of the Council of State were taken over by the Supreme Revolutionary Council which was sworn in by the President on 17 March. A new enlarged Cabinet, one-third of whose members are officers, was announced on 25 March.

On 2 April the Supreme Revolutionary Council submitted a draft constitution to the main political parties. The draft, which is to be integrated into the future constitution, provided, *inter alia*, for the armed forces to remain in power for a transitional period of three to five years, at the end of which period the constitution will be revised. Six of the 12 parties who were to contest the election signed the draft on 11 April. They were the PSP, the Communist Party, the Popular Socialist Front (FSP), the MDP, the PPD, and the Social Democratic Centre (CDS).

ECONOMIC AND SCIENTIFIC AFFAIRS

The Economy

In the course of a debate in the House of Commons on the state of the economy (*Hansard*, 22.5.75, cols 1637-1764), the Prime Minister, Mr Harold Wilson, and the Chancellor of the Exchequer, Mr Denis Healey, surveyed the strengths and weaknesses of Britain's recent economic performance.[1]

General Situation

Winding up the debate, the Chancellor summarised the situation by stating that there were three major criteria of economic success in which Britain had done well in recent months by comparison with almost any of its competitors. Its output had fallen less than that of most other countries – by only 4 per cent in the previous three months compared with 24 per cent in Japan and between 10 per cent and 15 per cent in the United States, the Federal Republic of Germany, France and Italy. Its employment had fallen less than that in many other countries, and its balance of payments position had improved more. There was, however, one very black spot on which the debate had rightly concentrated, and that was inflation. In 1974 Britain had been one among a fairly large group at the higher end of the world inflation table, whereas in the current year it was almost alone among the industrial countries with a rate of inflation which could be double that of most others unless Britain did something about it.

Points from the analysis of the various aspects of Britain's performance as seen by the Prime Minister and the Chancellor are given below.

Improved Trade Figures

Mr Wilson drew attention to the substantial improvement in Britain's visible trade deficit in the first four months of 1975 compared with the last quarter of 1973. In the fourth quarter of 1973 the deficit had been £976 million, that is, an annual rate of over £3,900 million; that had been at a time when the effect of the increase in oil prices had hardly been felt. In the first four months of 1975 the deficit had been £972 million, including oil – an annual rate of less than £3,000 million – and there had been a surplus on the non-oil visible trading account. There was also the substantial surplus in Britain's balance of invisible trade, which had increased in 1975. When account was taken of that, the deficit on the country's total current account so far in 1975 had been £492 million and was thus running at a rate of 25 per cent below the rate in the last quarter of 1973, despite the large increase in oil prices. Compared with the same four months of 1974, the current account deficit had been cut by over 60 per cent. Compared with the last quarter of 1973, the non-oil current balance, including invisible earnings, had been transformed from a deficit of £784 million at an annual rate to an estimated surplus at an annual rate of £1,506 million so far this year.

Export Markets

At a time when the volume of world trade had been declining, Mr Wilson went on, Britain had maintained the volume of its exports, thus maintaining, and possibly increasing, its share of world trade. On the other hand, import volumes had been falling steadily in every quarter since the end of 1973.

Turning to the Organisation of Petroleum Exporting Countries (OPEC) markets, the Prime Minister said that it was particularly important to convert the OPEC countries' monetary surpluses into extra trade with Britain. 'The opportunities are clearly there, provided we can shift the necessary resources into exports', said Mr Wilson (see p 195). These countries were estimated to have imported goods and services worth about $40,000 million in 1974, an increase in volume of around 40 per cent on the previous year. In the three months February to April, British exports to oil-exporting countries had been 27 per cent higher than in the previous three months and 111 per cent higher than in the same period in 1974.

Speaking of the opening up of the Soviet market to British goods, the Prime Minister said that senior Soviet ministers were now talking of the prospect as being even better for the British exporters than had been envisaged when the trade agreements had been signed (see pp 96-7).

Recession and Prospects of Recovery

Mr Wilson stated that the world as a whole was suffering from the deepest recession since the 1930s but, in terms of both unemployment and of declining industrial production, other major countries had suffered more than Britain. However, measures taken by the United States, the Federal Republic of

[1] The occasion of the debate was an Opposition motion 'that this House, being gravely disturbed by the total failure of the policies of Her Majesty's Government to curb the accelerating rate of inflation, calls upon Her Majesty's Government to abandon their damaging plans for further nationalisation, to take immediate action to cut public expenditure and to secure a reduction in the level of pay settlements, as essential parts of a programme designed to restore confidence and promote the economic recovery of the nation'. The motion was defeated by 278 votes to 244.

Germany, France and the Netherlands gave reason to begin to hope that some of Britain's major trading partners were, or shortly would be, moving out into a period of expansion. For these and other reasons there were prospects of a relatively large growth of world trade, underlining the need for Britain to maintain and improve its competitiveness and to be able to fulfil export demand. This was partly a question of ensuring the availability of resources and industrial capacity but still more it depended on the fullest co-operation of the British people in bringing down the rate of inflation at least to a level comparable with that of their competitors.

Inflation

The Prime Minister mentioned various special reasons for large pay increases during 1974, such as the long-overdue settlements for nurses, teachers and postal workers (see p 171, 1974), and the thresholds (see p 499, 1973). However, it was the fact that the overall level of wage settlements had been too high. Mr Wilson then referred to the 'very tough' statement which the General Council of the Trades Union Congress (TUC) had issued on 21 May.[1] He said that both he and the Leader of the Opposition agreed that a statutory policy was not the way out of the difficulties. However, rejection of a statutory policy carried with it an acceptance of the need for greater voluntary restraint. The Prime Minister then discussed some ideas recently put forward. He had himself suggested [in a television programme on 11 May] that the Government, the Confederation of British Industry (CBI) and the TUC should aim to agree on a forecast of the national product. Against that forecast and against the background of their joint determination to reduce inflation and to make the necessary provision for exports and investment, he would like to see more consultation on the right division between essential public expenditure and the total of private consumption, and on the allocation between spendable personal incomes and the profits which were required for investment. When such a system was fully working, they should have consultations every year and monitor the outcome at quarterly intervals; but there was no reason why they should not start this process soon. These ideas had been welcomed by the Director General of the CBI and the General Secretary of the TUC. There had also been the suggestion put forward by Mr Jack Jones [General Secretary of the Transport and General Workers Union] that attention [in wage bargaining] should be paid not so much to percentages as to a cash approach. The argument was that if a certain sum of money were required to maintain the living standards of those who were hardest hit, there was no reason why the percentage that the increase bore to the incomes of the lower paid should apply to the whole industry. This raised the question of differentials; but Mr Wilson thought that ideas of that kind were welcome and deserved full consideration. The CBI had also put forward proposals and other trade union leaders were doing this. He believed that there was a genuine realisation in almost every section of society of the need for a joint endeavour to overcome the evils of inflation.

This point was taken up later by the Chancellor of the Exchequer, who found it most encouraging that there was in all sections of the community, and not least inside the trade union movement, a growing recognition that they could not permit a situation to continue in which the inability or the unwillingness of a minority to carry out the undertakings voluntarily made in September 1974[1] must lead to the Government imposing penalties on the majority which had carried out the undertakings, cutting public expenditure and renouncing every opportunity to combat unemployment.

CASE AGAINST REFLATION

Reflationary policies were ruled out in Britain by the unprecedented circumstances of 1975, said the Paymaster General, Mr Edmund Dell, in a speech given at a National Union of Mineworkers' Summer School in Stoke-on-Trent on 20 May. This was so, although normally when unemployment was emerging Governments had responded by reflationary policies at home. There were essentially three reasons why reflation could not be applied at present. First, reflation at home could have a powerful adverse effect on the balance of payments. It would undoubtedly set up greater demands for imports from abroad. Exports also might be adversely affected. If Britain wanted to maintain its borrowing facilities it simply could not afford to increase the balance of payments deficit by a wilful act of policy.

Secondly, there was the problem of inflation. At a time such as the present, a policy intended to increase still further the demands made on the system through a process of reflation could only have serious inflationary effects.

Thirdly, there was the problem of the Government's own book-keeping. In recent years the Government's income had been very much less than its outgoings, and this deficiency had been largely met by borrowing. If the Government had to borrow from the banks because it was unable to raise sufficient funds from the rest of the private sector, this would tend to leave a corresponding flood of cash and bank deposits in the economy. It was known figuratively as resorting to the printing press. In the Budget the Chancellor had taken action to reduce the public sector borrowing requirement (see p 196); on the other hand those who urged reflation would have increased it even further.

In the present situation it was necessary to get to grips with wage inflation as wage increases were now the main source of inflation. The current rate of inflation, by raising what the country consumed above what it earned, made Britain too dependent on overseas lenders. If, nevertheless, excessive wage

[1] The statement issued to member unions emphasised the importance of adhering to the guidelines of the social contract (see p 108) if the level of inflation during 1975 and 1976 were to be reduced. It said that in order to bring the level substantially below 20 per cent by the end of the year, all negotiators should recognise that it was important that settlements conformed to the rise in the retail prices index, that negotiations should not be re-opened before their due dates, and that 'special increases aimed at improving the position of the low-paid or women workers should not be used as arguments for claims based on comparability where these special considerations do not apply'.

[1] At the annual Trades Union Congress held at Brighton in September 1974 (see p 393, 1974) two composite motions supporting the social contract (see also p 271, 1974) were carried by an overwhelming majority.

claims were pressed, prices must immediately respond to the increased costs. There could be no question of the taxpayer covering the cost, particularly in the energy industries.

International Economic Co-operation

The annual ministerial meeting of the Organisation for Economic Co-operation and Development (OECD) was held in Paris on 28 and 29 May. The meeting was attended by representatives from the 24 member countries. Among the topics discussed were the scope for co-operative action by the member countries in the fields of trade and finance, commodities, energy and relations with the developing countries. Britain was represented at the meeting by the Foreign and Commonwealth Secretary, Mr James Callaghan, and the Chancellor of the Exchequer, Mr Denis Healey, each of whom chaired the meeting for one day, and also by the Secretary of State for Trade, Mr Peter Shore, and the Paymaster General, Mr Edmund Dell.

Relations with Developing Countries

In a speech at an OECD dinner on 27 May, and again in a statement after the ministerial session on the following day, Mr Callaghan paid particular attention to the demands of some developing countries for a new international economic order. There was, he explained, no need for anyone to be apologetic about the existing instruments of co-operation, for, since the second world war, these had facilitated an unparalleled period of economic growth for both developed and developing countries. At the same time, he acknowledged, the benefits of that growth had not been evenly distributed. It was important, therefore, that OECD members should now examine in a constructive spirit how they could best strengthen and improve their relations with the developing countries. In this context, he considered the agreed OECD declaration on relations with the developing countries (see p 241) especially important, since it indicated to them that the industrialised world recognised their problems and needs, accepted the need for reform and improvement, and was prepared to hold a constructive dialogue with them in an open-minded way. It would, he hoped, avoid sterile rhetoric and confrontation over whether or not the existing order should be replaced, and usher in a phase of practical co-operation.

Renewal of Trade Declaration

In his speech to the meeting on 29 May the Secretary of State for Trade, Mr Peter Shore, referred to four points which, he believed, set the context in which the question of renewing the OECD's trade declaration of 1974 (see p 223, 1974) for a further year had to be approached. These points were: first, that high priority had to be accorded to reducing the rate of price inflation because it was a threat to economic and social progress; secondly, that policies to counter inflation had to be carefully chosen to avoid serious unemployment problems; thirdly, that economic activity should be maintained at satisfactory levels and policies avoided which would transfer employment from one country to another; and fourthly, that, because of the oil price rise (see p 17, 1974), OECD countries had to accept a deterioration in their balance of payments.

Recent Developments

Mr Shore thought that the policies of few, if any, OECD countries had in the past year been successful in meeting the requirements implied in the recognition of these four points. While readily conceding that Britain had so far lacked success in restraining inflation, he felt that, with regard to other points, there had been an equal if not greater lack of success on the part of the other OECD countries. In countries with the strongest and most powerful economies, which should have been leading the world out of recession, there had been unnecessarily high rates of unemployment, while one major country had an enormous balance of payments surplus.

Mr Shore recognised that some of the strongest placed countries had taken substantial measures to reverse at least the discouraging employment picture even if the effects were yet to be seen, but they had not all gone as far as Britain would have liked. In particular, Britain was disturbed at the failure of one major country to take reasonably reflationary action given its very substantial degree of unused capacity and its striking success in moderating the rate of wage increases. However, despite Britain's anxieties on these points, it was still convinced that the case for the declaration was as strong as it ever was, if not stronger, in view of the rapid increases, in many countries, of trade deficits and the debts involved in financing them, and the continuing socially and politically difficult problems of unemployment.

Qualified Agreement

Mr Shore concluded by saying that Britain therefore agreed that the declaration should be renewed for a further year, with two qualifications: first, that finance to cover trade deficits must be available (an agreement to co-operate fully to facilitate such financing was recorded in the declaration) and secondly, that, while countries in a weaker position must seek to avoid unilateral protective action, it was a necessary condition of this that the countries in a stronger position must play their part by following sufficiently expansionary domestic economic policies which would sustain international demand, increase imports, and thus at least alleviate the problem of the deficit countries.

Final Communiqué

The following is the text of the communiqué issued after the ministerial meeting.

1 The Council of the OECD met at ministerial level on 28 May, under the chairmanship of the Right Honourable James Callaghan, MP, United Kingdom Secretary of State for Foreign and Commonwealth Affairs, and on 29 May, with the Right Honourable Denis Healey, MBE, MP, United Kingdom Chancellor of the Exchequer, in the chair.

The Economic Situation

2 Ministers expressed confidence that the policies of OECD governments will lead to a recovery of demand and employment and that this will be combined with further reductions in the average rate of inflation. They are determined to achieve these goals, and to ensure by timely adjustments of policies, that the recovery is under-pinned should this prove necessary, and that, once under way, it does not degenerate into a new period of excessive demand pressures and inflationary tendencies. Ministers noted that the substantial international payments deficit on current account of OECD countries as a group, which has recently declined, is nevertheless likely to persist for some years. They also underlined the importance of ensuring that economic policies are such as to secure, among OECD countries, a less unbalanced distribution of current account positions, more compatible with a sustainable pattern of capital flows. Given such policies, ministers were confident that, backed by official bilateral and multilateral arrangements, the financing of existing and prospective deficits could be continued on an orderly basis; in this connection they welcomed the steps being taken to obtain early ratification of the agreement establishing the OECD Financial Support Fund [see p 62].

3 Ministers stressed that policy decisions concerned with the immediate future had to be related to the foreseeable medium- and longer-term problems of structural change, and to broad strategies for resolving them. Ministers agreed that the OECD should carry forward and accelerate its re-assessment of the prospects for sustained economic growth and the constraints on such growth, particularly those arising from inflation, under the changing circumstances. They noted with interest the proposal made by the United States government that a number of economists of international repute should be invited, drawing on this work, to examine the policy issues and make recommendations. In a broader and longer-run context, ministers also noted with interest a proposal initiated by the Japanese government for a study of the future development of advanced industrial societies in harmony with that of developing countries.

Trade

4 Ministers decided to renew, for a further period of one year, the declaration adopted on 30 May 1974 [see p 223, 1974], *stating the determination of all OECD governments to avoid recourse to new restrictions on trade and other current account transactions and the artificial stimulation of visible and current invisible exports.*[1] *In renewing the declaration, ministers stressed that the present situation required a high degree of economic co-operation. Noting that there had been a marked difference in the balance-of-payments situations of OECD member countries, they welcomed the economic measures taken by certain of them; and they reaffirmed that, in the present state of the world economy, it remained of the highest importance to follow an economic policy which combated inflation but also aimed at maintaining a high level of employment and expansion of world trade. The way in which this policy should be implemented must take account of the respective situations of member countries.*

5 Ministers agreed that, given the importance of the terms of export credits in international competition, an arrangement of a general nature in this respect, between as many as possible of the industrialised countries of the OECD, should be achieved. This would constitute significant progress in international co-operation. They also agreed on the need to continue close consultations on exchange-rate developments in the appropriate bodies. They noted that the problems of the developing member countries have become more serious in several respects during the past year, and deserve to be considered with special attention within the OECD.

6 Ministers reaffirmed that liberal and expanded trade was of the utmost importance for the further development of the world economy and that, to this end, they would work together for the success of the multilateral trade negotiations now under way.

Energy

7 Ministers stressed the importance they attached to continuing and developing co-operation in the field of energy. A report from the Belgian Foreign Minister, Mr Renaat Val Elslande, chairman of the governing board of the International Energy Agency's meeting at ministerial level on 27 May, described the progress being made and the new impulse given to energy co-operation within that body.

8 Ministers agreed that increased co-operation between producer and consumer countries was needed in order to ensure equitable and stable conditions in the world energy market.

Commodities

9 Ministers stressed that adequate supplies of commodities at equitable and remunerative prices are essential to the world economy. They recognised the interdependence and common interest of producers and consumers, both developed and developing countries, particularly in relation to the avoidance of excessive fluctuations in commodity markets, as well as the importance attached by producers to assured access to markets and by consumers to secure supplies. These questions, together with other aspects of the commodity problem, are of special concern to the developing countries in making the best possible use of their natural resources to foster economic development.

10 In responding to the concerns of the developing countries in the commodity field and while recognising that circumstances vary greatly between commodities or groups of commodities and that this must be taken into account when working out practical arrangements, ministers agreed on the need for a more active and broadly based approach to commodity problems aiming in particular at:

—reducing market instability and promoting a better balance between production and consumption, including, where appropriate, through commodity agreements;

[1] The government of Portugal is not, at this stage, in a position to renew the declaration.

—ensuring adequate levels of investment in production of commodities;

—improving and increasing market outlets and local processing of commodities.

In addition, ministers indicated their readiness to consider improved international mechanisms to stabilise export earnings of developing producing countries.

11 Ministers stressed the need for progress in the various international discussions on grains. In this context they noted that the better agricultural crops expected this year offered the opportunity to begin rebuilding stocks of essential foodstuffs, notably grains, and to ensure greater world food security. Ministers also reiterated their readiness to contribute to the efforts needed to increase food production in the developing countries.

12 Ministers agreed that these questions should be pursued actively in all appropriate bodies with a view to reaching concrete solutions based on co-operation between producing and consuming countries. They welcomed the establishment of a high level group in the OECD to further develop member countries' attitudes both on general aspects of their commodity policies and on specific action concerning particular commodities.

Relations with Developing Countries

13 Ministers adopted an OECD declaration on relations with developing countries [see below]. *They further agreed on a review within the OECD of economic relations between member countries and developing countries, with a view to identifying what new and other constructive approaches could be adopted on selected substantive issues, and to giving support and new impetus to negotiations in other bodies working on specific problems. Ministers invited the* ad hoc *high-level group which had been created for this purpose to begin its work as quickly as possible and to submit a preliminary progress report before the end of July 1975.*

14 Ministers agreed on the need to continue the dialogue between developed and developing countries. They recognised that, concurrently with the problems of energy and oil, there are other problems such as commodities, including foodstuffs, development questions and the intensified difficulties of the most seriously affected countries, which will have to be tackled with increased vigour in co-operation with all countries concerned. The need for renewed efforts along these lines was a recurring theme throughout the meeting of the OECD ministers. Ministers expressed the hope that their deliberations will have provided a basis for the resumption at an early date of the dialogue which was initiated in Paris last April.

Declaration on Relations with Developing Countries

The following is the text of a declaration of relations with developing countries adopted by ministers at the meeting on 28 May.

1 Ministers of OECD governments meeting in Paris on 28 May 1975 discussed relations with developing countries and agreed that, in the present situation, the widest measure of international co-operation is required.

2 They considered that while many developing countries have made major progress in their economic and social development, a large number of them have not been in a position to advance sufficiently and many are still faced with extremely severe problems of poverty.

3 Recalling the contribution which their countries have made to further the economic development of the developing countries, ministers resolved to intensify their efforts to co-operate with these countries in their endeavours to improve the conditions of life of their people and to participate increasingly in the benefits of an improved and expanding world economy.

4 Given the fact of world economic interdependence, they believed that progress could best be made through practical measures which command wide support among all concerned – developed and developing nations alike.

5 They determined to consider policies aimed at strengthening the position of the developing countries in the world economy and expressed their willingness to discuss with the developing countries the relevant issues, with particular emphasis on food production, energy, commodities and development assistance for the most seriously affected countries.

6 They therefore expressed their firm determination to pursue the dialogue with the developing countries, in all appropriate fora, in particular the forthcoming seventh special session of the United Nations General Assembly, and in more restricted fora along the lines suggested by the President of the French Republic, in order to make real progress towards a more balanced and equitable structure of international economic relations.

Offshore Oil and Gas

The Government's reply to the recent report on Offshore Engineering of the House of Commons Select Committee on Science and Technology, which examined a wide range of subjects concerned with offshore and marine affairs, is contained in a White Paper published on 7 May.[1] The White Paper notes particularly the recent statements by the Government on its policies for developing offshore oil and gas, including research, safety and training.

Offshore Oil and Gas Policy

The White Paper says that the Government has fully acknowledged the need to explain the objectives of its policy for developing offshore resources and these have been set out in statements on the prospects for production of oil and gas (see pp 219-22, 1974 and pp 202-4); on greater public control of offshore developments, in a White Paper (see pp 279-80, 1974) and the Petroleum and Submarine Pipe-lines Bill (see pp 201-2); on platform construction

[1] *Select Committee on Science and Technology. Government Observations on Report, Session 1974. Offshore Engineering.* Cmnd 6060. HMSO, 28p. ISBN 0 10 160600 1.

sites (see pp 353-4, 1974); on depletion, refining and disposal of North Sea oil (see pp 476-7, 1974); and on taxation (see pp 475-6, 1974 and pp 102-3). Offshore oil and gas policy has been formulated as an integral part of the Government's energy strategy; other major recent initiatives include the Coal Industry Examination (see pp 435-6, 1974), the adoption of the Steam Generating Heavy Water Reactor for the next phase of Britain's nuclear power programme (see pp 280-1, 1974) and energy conservation measures (see pp 480-1, 1974).

Role of British Industry

The Government has been anxious to promote British involvement in the development of offshore resources and has accordingly strengthened the Offshore Supplies Office (OSO) which is responsible for ensuring that British industry has the opportunity to compete effectively in the offshore equipment market and for promoting worthwhile new ventures. British industry has already had considerable success in obtaining orders for this market (see p 204) although the Government shares the committee's disappointment that British firms have not been attracted into certain specialist activities such as pipelaying and offshore installation. The committee recommended that the Government should avoid the risk of too many platform construction sites and the White Paper notes that the Government's policy emphasises the need to avoid proliferation of sites and to ensure continuity of operations at those sites which are developed. Sites for the construction of concrete platforms have been found for six of the seven designs most favoured by the oil companies. The Government endorses the committee's view that sub-sea completion[1] (by which production equipment is placed directly over a well on the seabed instead of on the surface of the sea) might become increasingly important in obtaining offshore oil and gas in deeper waters. British Petroleum is participating in the SEAL consortium and other firms have interests in sub-sea completion, but the Government agrees that more involvement by British industry could be advantageous. The OSO attaches a high priority to these developments and has encouraged partnerships to benefit British firms.

Research and Development

The Government believes that it should not separate entirely the responsibilities of the Ship and Marine Technology Requirements Board (SMTRB) for shipping and shipbuilding from those for marine technology generally, as recommended by the committee, because of the overlap in research. In its two years of operation the SMTRB has improved substantially the effectiveness of the Government's research and development expenditure in these areas. However, the Government considers that there should be a rearrangement of the SMTRB's functions in the light of the creation of the Department of Energy and accordingly has established the Offshore Energy Technology Board (see p 222).

The Government accepts the importance of making available the expertise and facilities of Ministry of Defence research and development establishments for work in support of the offshore industry. This policy has been pursued for some time and the Ministry of Defence, in consultation with the Departments of Energy and Industry, is examining further measures to ensure that industry is aware of its facilities.

Safety and Training

The White Paper notes that Britain was one of the first countries to introduce a comprehensive statutory safety code for offshore operations. Seven sets of regulations have been introduced under the Mineral Workings (Offshore Installations) Act 1971 and three further sets are being prepared. The Government is sponsoring a programme intended to improve the safety of offshore operations and to increase knowledge of the design, construction and operation of offshore installations. An interdepartmental diving committee is examining urgently the feasibility of a common set of regulations covering all diving safety matters. Training facilities being developed include those at Livingston (see p 81) and Fort William (see p 82). The University Grants Committee has agreed to support the establishment of centres for courses in petroleum engineering at Heriot-Watt University, Edinburgh, and Imperial College, London.

The Government shares the committee's concern over the need to protect offshore installations. Five new vessels, similar to the offshore fishery protection vessel operated by the Department of Agriculture and Fisheries for Scotland, will be built for the Royal Navy and up to four Royal Air Force aircraft will be provided to protect offshore installations. Protection is being provided on a temporary basis until the new ships and aircraft enter service in 1977.

[1] More information on sub-sea completion is contained in *Marine Science and Technology*, COI, NST 48.

SOCIAL AND CULTURAL AFFAIRS

Social Security

INCREASED BENEFITS

Full details of further increases in social security benefits to take effect from the week beginning 17 November were announced by the Secretary of State for Social Services, Mrs Barbara Castle, in the House of Commons on 22 May (*Hansard*, cols 1623-36).

This will be the second increase in 1975, in accordance with the provisions of the Social Security Benefits Act 1975 under which long-term benefits (for example, retirement pensions) are raised in line with the movement of average earnings or retail prices, whichever is most favourable to the beneficiary. Short-term benefits, such as unemployment or sickness benefit, are raised in line with the movement in retail prices. The increases will affect retirement pensions, unemployment and sickness benefits, maternity allowance, widows' benefits,

Table 1 **Main National Insurance Benefit Rates**

	Proposed Weekly Rate	Existing Rate
	£	£
Standard rate of invalidity, widows' and retirement pensions and widowed mothers' allowance:		
Single person	13·30	11·60
Wife or other adult dependant	7·90	6·90
Standard rate of unemployment and sickness benefit:		
Single person	11·10	9·80
Wife or other adult dependant	6·90	6·10
Married woman (normal rate)	7·80	6·90
Widow's allowance (first 26 weeks of widowhood)	18·60	16·20
Maternity allowance	11·10	9·80
Invalidity allowance payable with invalidity pension, when incapacity began before age:		
35	2·80	2·40
45	1·70	1·50
60 for men or 55 for women	0·85	0·75
Attendance allowance – Higher rate	10·60	9·20
Lower rate	7·10	6·20
Old person's pension:		
Wife	4·90	4·30
Any other person	7·90	6·90
Guardian's allowance	6·50	5·65
Non-contributory invalidity pension	7·90	—
Increase of non-contributory invalidity pension for wife or other adult dependant	4·90	—
Child's special allowance; increases for children of widows, invalidity, non-contributory invalidity, and retirement pensioners:		
First child	6·50	5·65
Any other child[1]	5·00	4·15
Increases for children of all other beneficiaries:		
First child	3·50	3·10
Any other child[1]	2·00	1·60

[1] In addition to family allowance of £1·50 payable for each child in a family other than the first.

industrial injuries benefits, war pensions and supplementary benefit.

Certain additions made to supplementary benefit are also being increased; these include a 37·5 per cent increase in additions paid to people in need of extra heating, and a 20 per cent increase in the additions paid to people on special diets. Under the supplementary benefits scheme a part of a person's savings or income is disregarded when benefit is calculated. Increases in 'disregards' previously announced (see p 489, 1974) will also take effect from 17 November.

In addition to the general increase in benefits, a new non-contributory invalidity pension (see p 163) will come into operation at the same time. This will be payable at the rate of £7·90 a week, instead of £6·90 as previously announced. It is intended for people (other than married women) who are not qualified for the present national insurance invalidity pension, either because they are congenitally disabled and have never been able to work or were disabled before they had paid sufficient contributions to qualify. A similar benefit for disabled housewives will be introduced at a later stage.

The tables on pp 243-246 show the proposed new rates of benefit and the existing rates.

For an account of the social security system, see COI reference pamphlet *Social Security in Britain*, R5455.

NEW CHILD BENEFIT

A new child benefit and other changes in social security are proposed in the Child Benefit Bill which received its second reading in the House of Commons on 13 May (*Hansard*, cols 330-405).

Introducing the Bill, Mrs Castle said that family allowances and income tax allowances would be merged into 'a new universal, non-means-tested, tax-free cash benefit for all children, including the first . . .'. The new benefit would be payable to the mother and would benefit the poorest families most, as at present they are unable to take full advantage of the child tax allowance because of their lower incomes. (At present family allowances are payable for the second and subsequent children in a family and the income tax system provides for allowances for children to be set against taxable income.)

Mrs Castle pointed out that the extension of child benefit to the first child of a family would bring into the scheme an extra 7 million children (3 million in single-child families and 4 million first children of families drawing family allowance). The reform would for the first time provide 'a single, universal system of family support'. The rate of the new benefit is to be decided in 1976.

Turning to the question of timing, the Secretary of State said that the child benefit would be payable from April 1977. She stressed the need to help the children of single parents and said that an interim benefit (£1·50) for the first child of single-parent families would be paid for a year from April 1976 until the introduction of the new child benefit.

The Bill also abolishes the 'wage stop' rule under which certain unemployed claimants of supplementary benefit have their benefit reduced to ensure that they do not receive more in supplementary benefit than they would if they were doing their normal job. The number of claimants affected by the rule has dropped from 35,000 in November 1970, to some 5,000 at the present time.

Opposition Views

Speaking for the Official (Conservative) Opposition, Mr Norman Fowler welcomed the Bill and described the reforms in it as valuable. Mr Fowler was, however, disappointed that the introduction of child benefit could not take place from April 1976 and promised that the Opposition would examine this question during the Bill's committee stage. He concluded his remarks by stressing the need for a tax credit scheme (see pp 480-3, 1972) to deal with all groups in poverty by providing benefit as of right and directing it to those who needed it most. For the Liberal Party, Mr David Penhaligon also welcomed the Bill and, similarly, expressed disappointment that the allowance could not be brought in before 1977.

Table 2 **Main Industrial Injuries Benefit Rates**

	Proposed Weekly Rate	Existing Rate
	£	£
Injury benefit[1]	13·85	12·55
Disablement benefit (100 per cent assessment)	21·80	19·00
Unemployability supplement[2]	13·30	11·60
Special hardship allowance (maximum)	8·72	7·60
Constant attendance allowance (normal maximum)	8·70	7·60
Exceptionally severe disablement allowance	8·70	7·60
Industrial death benefit:		
Widow's pension during first 26 weeks of widowhood	18·60	16·20
Widow's pension now payable at £12·15 rate	13·85	12·15
Widow's pension now payable at £3·48 rate	3·99	3·48

[1] Increases for adult dependants and children will be the same as those for sickness and unemployment benefit.

[2] Invalidity allowances and increases for adult dependants and children will be the same as those for invalidity pensions.

Table 3 **War Pensions**

	Proposed Weekly Rate	Existing Rate
	£	£
Disablement Benefits		
Disablement pension for private at 100 per cent rate	21·80	19·00
Unemployability allowances[1]:		
Personal allowance	14·20	12·40
Increase for wife or adult dependant	7·90	6·90
Comforts allowance:		
Higher rate	3·70	3·20
Lower rate	1·85	1·60
Allowance for lower standard of occupation (maximum)	8·72	7·60
Constant attendance allowance:		
Special maximum	17·40	15·20
Special intermediate	13·05	11·40
Normal maximum	8·70	7·60
Half and quarter day	4·35	3·80
Age allowance with assessments of:		
40 and 50 per cent	1·60	1·40
60 and 70 per cent	2·40	2·10
80 and 90 per cent	3·40	3·00
100 per cent	4·80	4·20
Exceptionally severe disablement allowance	8·70	7·60
Severe disablement occupational allowance	4·40	3·80
Clothing allowance:		
Higher (annual rate)	32·00	29·00
Lower (annual rate)	21·00	19·00

	Proposed Weekly Rate	Existing Rate
	£	£
Death Benefits		
Widow's pension – private's widow:		
Standard rate	17·20	15·00
Childless widow under 40	3·99	3·48
Rent allowance	6·70	5·80
Age allowance for elderly widows:		
Between age 65 and 70	1·70	1·60
Over age 70	3·40	3·00
Widower's pension	17·20	15·00
Widow's children:		
Eldest child	6·70	5·85
Other children with family allowances	5·70	4·85
Other children without family allowances	6·55	5·70
Motherless and fatherless children aged:		
Under 15 } Eldest child or other children with no family allowances	6·70	5·85
Over 15 } Eldest child or other children with no family allowances	8·20	7·35
Under 15 } Other children with family allowances	5·70	4·85
Over 15 } Other children with family allowances	7·20	6·35
Adult orphans	13·30	11·60

[1] Invalidity allowances and increases for children will be the same as those for invalidity pensions.

Table 4 Main Supplementary Benefit Rates

	Proposed Ordinary Weekly Rate	Proposed Long-term Weekly Rate[1]	Existing Ordinary Weekly Rate	Existing Long-term Weekly Rate[1]
	£	£	£	£
Husband and wife	17·75	21·55	15·65	18·85
Person living alone	10·90	13·70	9·60	12·00
Any other person aged:				
Not less than 18	8·70	11·00	7·65	9·65
Less than 18 but not less than 16	6·70	—	5·90	—
Less than 16 but not less than 13	5·60	—	4·95	—
Less than 13 but not less than 11	4·60	—	4·05	—
Less than 11 but not less than 5	3·75	—	3·30	—
Less than 5	3·10	—	2·75	—
Blind People				
Husband and wife:				
If one of them is blind	19·00	22·80	16·90	20·10
If both of them are blind	19·80	23·60	17·70	20·90
Any other blind person aged:				
Not less than 18	12·15	14·95	10·85	13·25
Less than 18 but not less than 16	7·60	—	6·80	—
Less than 16 but not less than 13	5·60	—	4·95	—
Less than 13 but not less than 11	4·60	—	4·05	—
Less than 11 but not less than 5	3·75	—	3·30	—
Less than 5	3·10	—	2·75	—

	Proposed Weekly Rate	Existing Weekly Rate
	£	£
Non-householder rent allowance	1·00	0·95
Attendance requirements:		
Higher rate	10·60	9·20
Lower rate	7·10	6·20

[1] Where the claimant or a dependant is aged 80 or over a further 25p is added to these long-term rates.

FAMILY INCOME SUPPLEMENT

Increases in family income supplement (paid to families with at least one dependent child where the head of the family is in full-time work and the family's gross income is less than a prescribed amount) were announced in the House of Commons by the Secretary of State for Social Services on 28 April (*Hansard*, written answers, cols 8-9). The benefit paid is half the difference between the prescribed amount and the family's gross income. The prescribed amount for a one-child family is to go up by £6·50 to £31·50 and for larger families to £31·50 plus £3·50 for each child after the first. The maximum weekly supplement payable to a one-child family will be £7 and this will be increased by £0·50 for each additional child.

The regulations giving effect to the increases (to be made from 22 July) were approved by the House of Commons on 15 May (*Hansard*, cols 845-57).

MOBILITY ALLOWANCE

The new mobility allowance for disabled people (see pp 396-7, 1974) is to be introduced at the beginning of 1976. In reply to a parliamentary question on 23 May (*Hansard*, written answers, cols 663-4), Mr Alfred Morris, Under-Secretary of State for Health and Social Security, announced that the Government was tabling an amendment to the Social Security Pensions Bill providing for the allowance.

The allowance of £5 a week will be payable for severely disabled adults of working age and for severely disabled children aged five or over who are unable, or virtually unable, to walk. It will be available to those whose mobility handicap is likely to last for at least a year. Its introduction will be phased over a three-year period and payments to the first group of people will start at the beginning of 1976.

DOCUMENTATION

(*Documentation excludes publications referred to in Survey articles*)

Government and Administration

Britain's Referendum on European Community Membership. COI, Factel No 657.

First Report from the Select Committee on Procedure, Session 1974-75. European Secondary Legislation. The select committee's review of the parliamentary arrangements, in force since May 1974, for considering matters arising from British membership of the European Community (see pp 205-6). HMSO, £1·03. ISBN 0 10 022945 X.

Electoral Statistics 1974. Office of Population Censuses and Surveys. Contains the numbers of electors on the 1974 electoral register in the United Kingdom and the number of votes cast, by parliamentary constituency, at both general elections held in 1974. The voting figures are not broken down according to party choice. HMSO, 65p. ISBN 0 11 690526 3.

The Electorate. The number of electors on the 1975 United Kingdom electoral register is 40,565,570. This total comprises 33,756,674 in England, 2,032,792 in Wales, 3,733,357 in Scotland and 1,042,747 in Northern Ireland. The figures are contained in an OPCS Monitor, Electoral Statistics (EL/75/1), obtainable free from the Information Branch (Dept M), Office of Population Censuses and Surveys, St. Catherine's House, 10 Kingsway, London WC2B 6JP.

Financial Help for Political Parties. A committee has been set up under the chairmanship of Lord Houghton to consider whether, in the interests of democracy, provision should be made from public funds to assist political parties in carrying out their functions outside Parliament. *Hansard*, written answers, 8.5.75, col 480.

External Affairs and Defence

Commonwealth Heads of Government Meeting, Kingston, Jamaica, 29 April-6 May 1975. Cmnd 6066. HMSO, 20p. ISBN 0 10 160660 5.

Economic and Scientific Affairs

Welsh Economic Trends, No 2 1975. HMSO, £2. ISBN 0 11 790052 4.

National Savings. In preparation for the launching of Index-linked Save-As-You-Earn (SAYE, Third Issue, see p 81) the current SAYE (Second Issue) was withdrawn on 24 May. Department for National Savings press notice, 22.5.75.

Finance for Investment. A NEDO study of mechanisms available for financing industrial investment. The research work is reported in seven papers on: investment in manufacturing industry; the nature of the financing problem in the firm; the way in which manufacturing industry has financed itself; financial and other constraints upon investment in manufacturing industry – a survey of users of finance; the British capital market – a survey of suppliers of finance; an international comparison; an outline of the financial mechanisms in operation in the EEC countries, Japan and the USA. Obtainable from Neddy Books, National Economic Development Office, Millbank, London SW1P 4QX. £5.

British Overseas Trade Board (*BOTB*). Sir Frederick Catherwood, formerly Chief Industrial Adviser to the then Department of Economic Affairs (1964), Director General of the National Economic Development Office (1966-71) and chairman of the British Institute of Management since 1974, and director of several companies, has been appointed chairman of the BOTB. BOTB press notice, 7.5.75.

Manpower Policy in the Hotels and Restaurant Industry. Summary and recommendations, free. Research findings, £2·60. Available from Neddy Books, National Economic Development Office, Millbank, London SW1P 4QX.

Health and Safety Commission. An Advisory Committee Structure. Consultative Document. The document outlines initial proposals for a new advisory committee structure to include two committees on general hazards, one on medical matters and 18 industry-based committees, all additional to the committee on major hazards set up in January 1975 (see pp 449-50, 1974). Available from the Health and Safety Executive (SG E2), Baynards House, 1 Chepstow Place, London W2 4TF.

Equal Pay for Women. COI, SN5880.

Flixborough Disaster. Report of the Court of Inquiry. Formal Investigation into Accident on June 1, 1974, at the Nypro Factory at Flixborough (see p 449,

1974 and *Hansard*, 12.5.75, cols 31-43). HMSO, £2·50. ISBN 0 11 361075 0.

Review Body on Armed Forces Pay. Fourth Report 1975. Cmnd 6063. HMSO, £1·50. ISBN 0 10 160630 3.

Price Code. The amendments to the code proposed by the Chancellor of the Exchequer, Mr Denis Healey, in his Budget statement (see p 196) are incorporated in the Counter-Inflation (Price Code) (Amendment) Order 1975 (HMSO, 11p, ISBN 0 11 050864 5) and the Counter-Inflation (Prices and Charges) (Information) (Amendment) Order 1975 (HMSO, 4p, ISBN 0 11 050865 3), and came into effect on 27 May. Department of Prices and Consumer Protection press notice, 23.5.75.

Regional Development Incentives. Government observations on the second report of the Expenditure Committee (see p 70, 1974). Cmnd 6058. HMSO, 20p. ISBN 0 10 160580 3.

British Industry Today: Manufacturing Industries. COI, R5982.

British Industry Today: Freight Transport. COI, R5900.

Agriculture in Scotland. Report for 1974. Cmnd 5998. HMSO, 80p. ISBN 0 10 159980 3.

Organisation for Economic Co-operation and Development (OECD). The Research System. Comparative Survey of the Organisation and Financing of Fundamental Research. Vol. III. Canada, United States. General Conclusions. 1974. HMSO, £3·80. ISBN 92 64 11276 6.

Report of the Working Party on the Laboratory Use of Dangerous Pathogens. Department of Health and Social Security. HMSO, 85p. ISBN 0 10 160540 4.

Royal Society Pollution Studies. The Royal Society has established two study groups to look into the effects of pollution: one to consider scientific evidence on effects on the ozone layer of industrial chemicals such as freons (see p 31); and another, the cumulative physiological effects of chemical pollutants present in the environment in small concentrations. *New Scientist*, 8.5.75.

Social and Cultural Affairs

The Registrar General's Statistical Review of England and Wales for the year 1973. Part II, Population. HMSO, £2·95. ISBN 0 11 690502 6.

Regional Population Projections. Mid-1973 based. New Standard Regions of England and Wales. HMSO, 34p. ISBN 0 11 690510 7.

Community Service Orders. A study by the Home Office Research Unit of the first 18 months of the then experimental community service order scheme for offenders. Intended as an alternative to custodial treatment, the scheme is now being extended to the whole of England and Wales. HMSO, 75p. ISBN 0 11 340669 X.

Absconding From Open Prisons. A Home Office Research Unit Report. HMSO, 95p. ISBN 0 11 340666 5.

Statistics of Education 1973, England and Wales. Department of Education and Science. Vol 1, Schools. HMSO, £3. ISBN 0 11 270342 9.

Differences of Provision for Boys and Girls in Scottish Secondary Schools. A report by HM Inspectors of Schools. HMSO, Edinburgh, 65p. ISBN 0 11 491331 5.

Women in Britain. COI, R4497.

Britain and International Women's Year. COI, Factel No 655 (revised May 1975).

Housing for the Elderly: the size of grouped schemes. Department of the Environment Design Bulletin No 31. HMSO, 70p. ISBN 0 11 750242 1.

Community Ownership of Development Land. Consultation Document on Scope of Acquisition Powers and Duties, issued on 21 May by the Department of the Environment to local authorities and other bodies as a basis for determining the regulations and guidance under which the scheme contained in the Community Land Bill (see pp 181-3) will operate. The document is concerned mainly with the definition and scope of the terms 'relevant development' and 'designated relevant development' since these will determine the new powers of land acquisition. It also deals with the procedures under which an owner whose land has been acquired under the scheme will have a prior right to negotiate to carry out development himself if the authority concerned is making the land available for private development. Department of the Environment, 2 Marsham Street, London SW1P 3EB. Unpriced.

Redevelopment of the London Docklands. Fifth Report from the Expenditure Committee of the House of Commons. HMSO, £5·05. ISBN 0 10 023485 2.

Betting Licensing Statistics for the Period Ended 31st May, 1974. HMSO, 75p. ISBN 0 10 023525 5.

The Experiment in Public Sound Broadcasting (No 2), Third Report from the Select Committee on House of Commons (Services). Session 1974-75. Records the select committee's recommendation that the ten-minute restriction on commercial advertising before and after any scheduled parliamentary broadcast (see p 181) on independent local radio should be relaxed. This follows representations by the Independent Broadcasting Authority. Instead the authority will be allowed to follow its usual practice which is determined by its own advertising rules. HMSO, 18p. ISBN 0 10 023825 4.

Promotion of the Arts. COI, FSB/A9.

The Promotion of the Arts in Britain. COI, R5647.

Export of Works of Art 1972-74. Twentieth Report of the Reviewing Committee Appointed by the Chancellor of the Exchequer in December 1952. The report says that 17 objects which would have been exported from Britain were bought by United Kingdom museums and galleries in 33 cases after expert advisers had opposed the issue of an export licence. The report refers to the increased number of special grants from the Government for acquisitions by public collections which, in the two-year period 1972-74, totalled £721,760. National purchase grants given by the Government to the national collections during 1972-74 were approximately £1·5 million a year. On the increase in Government assistance for acquisitions by local collections, the committee acknowledges the value of this fund and says that it facilitated the addition to local collections of much interesting and historical material which would otherwise have been at serious risk of export. Cmnd 6069. HMSO, 95p. ISBN 0 10 160690 7.

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